

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



FILED

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In the Matter of the Application of
California-American Water Company (U
210 W) for an order authorizing it to
increase its rates for water service in its Los
Angeles District to increase revenues by
\$2,020,466 or 10.88% in the year 2007;
\$634,659 or 3.08% in the year 2008; and
\$666,422 or 3.14% in the year 2009

A.06-01-005

**CALIFORNIA-AMERICAN WATER COMPANY NOTICE OF EX PARTE
COMMUNICATIONS**

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Attorneys for Applicant
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Date: June 21, 2007

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COMMUNICATIONS**

In accordance with Article 8 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), California-American Water Company (“California American Water”) hereby files this notice of its ex parte meeting with Lester Wong, advisor to President Peevey.

On Monday, June 18, 2007, at 10:30 a.m., Kevin Tilden and David Stephenson of California American Water and Lori Anne Dolqueist of Steefel, Levitt & Weiss, counsel for California American Water, met with Mr. Wong at the Commission. The meeting lasted approximately thirty minutes and consisted solely of oral communications.

At the meeting Messrs. Tilden and Stephenson and Ms. Dolqueist discussed the *Proposed Decision of ALJ Walwyn*, issued May 7, 2007 (“Proposed Decision”). California American Water argued that the Proposed Decision’s position that implementation of a Water Revenue Adjustment Mechanism (“WRAM”) should lead to a downward adjustment in return on equity is incorrect and premature. California American Water also noted that the Proposed Decision pre-judges the issue and that it is more correctly addressed in the Commission’s generic conservation proceeding (I.07-01-022). Finally, California American Water expressed concern that the Conservation Loss Adjustment Mechanism (“CLAM”) mentioned in the revised version

of the Proposed Decision did not provide adequate risk protection for utilities and may not be feasible.

Parties may request a copy of this notice by contacting:

Cinthia Velez
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Dated: June 21, 2007

Respectfully submitted,

STEEFEL, LEVITT & WEISS
A Professional Corporation

By: /s/ Lori Anne Dolqueist
Lori Anne Dolqueist
Attorneys for Applicant
California-American Water Company

PROOF OF SERVICE

I, Cinthia A. Velez, declare as follows:

I am employed in the City and County of San Francisco, California. I am over the age of eighteen years and not a party to this action. My business address is STEEFEL, LEVITT & WEISS, One Embarcadero Center, 30th Floor, San Francisco, California 94111-3719. On June 21, 2007, I served the within:

California-American Water Company Notice of Ex Parte Communications

on the interested parties in this action addressed as follows:

See attached service list



(BY PUC E-MAIL SERVICE) By transmitting such document(s) electronically from Steefel, Levitt & Weiss, San Francisco, California, to the electronic mail addresses listed above. I am readily familiar with the practices of Steefel, Levitt & Weiss for transmitting documents by electronic mail, said practice being that in the ordinary course of business, such electronic mail is transmitted immediately after such document has been tendered for filing. Said practice also complies with Rule 1.1 of the Public Utilities Commission of the State of California and all protocols described therein.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on June 21, 2007, at San Francisco, California.

/s/ Cinthia A. Velez

Cinthia A. Velez

VIA PUC E-MAIL SERVICE

A.06-01-005

Last changed: June 19, 2007

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